

105TH CONGRESS  
2D SESSION

# S. 2227

To amend title XVIII of the Social Security Act to eliminate the budget neutrality adjustment factor used in calculating the blended capitation rate for Medicare+Choice organizations.

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## IN THE SENATE OF THE UNITED STATES

JUNE 25, 1998

Mr. WYDEN (for himself and Mr. SMITH of Oregon) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to eliminate the budget neutrality adjustment factor used in calculating the blended capitation rate for Medicare+Choice organizations.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Medicare+Choice Pay-  
5       ment Equity Act of 1998”.

1 **SEC. 2. ELIMINATION OF BUDGET NEUTRALITY ADJUST-**  
 2 **MENT FACTOR IN CALCULATING THE BLEND-**  
 3 **ED CAPITATION RATE FOR**  
 4 **MEDICARE+CHOICE ORGANIZATIONS.**

5 (a) IN GENERAL.—Section 1853(c) of the Social Se-  
 6 curity Act (42 U.S.C. 1395w–23(c)) is amended—

7 (1) in paragraph (1)(A), by striking the comma  
 8 at the end of clause (ii) and all that follows before  
 9 the period at the end; and

10 (2) by striking paragraph (5) and redesignating  
 11 paragraphs (6) and (7) as paragraphs (5) and (6)  
 12 respectively.

13 (b) CONFORMING AMENDMENTS.—Part C of the So-  
 14 cial Security Act (42 U.S.C. 1395w–21 et seq.) is amend-  
 15 ed—

16 (1) in section 1853(c)—

17 (A) in the matter preceding subparagraph  
 18 (A) of paragraph (1), by striking “(6)(C) and  
 19 (7)” and inserting “(5)(C) and (6)”; and

20 (B) in paragraphs (1)(B)(ii) and (3)(A)(i),  
 21 by striking “(6)(A)” and inserting “(5)(A)”;  
 22 and

23 (2) in subsections (b)(3)(B)(ii) and (c)(3) of  
 24 section 1859, by striking “1853(c)(6)” and inserting  
 25 “1853(c)(5)”.

1       (c) SUBMISSION TO CONGRESS.—Not later than 20  
2 days after the date of enactment of this Act, the Secretary  
3 of Health and Human Services shall submit to Congress  
4 a legislative proposal that provides for aggregate decreases  
5 in Federal expenditures under the medicare program  
6 under title XVIII of the Social Security Act (42 U.S.C.  
7 1395 et seq.) as are equal to the aggregate increases in  
8 such expenditures under such program resulting from the  
9 amendments made by subsections (a) and (b).

10       (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to payments made under contracts  
12 entered into on or after January 1, 1999.

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